

***Bruno & Tervalon LLP***  
**Certified Public Accountants**

**LAKE CARMEL SUBDIVISION  
IMPROVEMENT DISTRICT**

**COMPILED FINANCIAL STATEMENTS  
TOGETHER WITH  
INDEPENDENT ACCOUNTANTS' REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2002**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-13-03

**LAKE CARMEL SUBDIVISION  
IMPROVEMENT DISTRICT**

**TABLE OF CONTENTS**

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	<u>PAGE</u>
INDEPENDENT ACCOUNTANTS' COMPILATION REPORT .....	1
BALANCE SHEET GOVERNMENTAL FUND TYPE .....	2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE GOVERNMENTAL FUND TYPE .....	3
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL GOVERNMENTAL FUND TYPE-GENERAL FUND .....	4
NOTES TO THE FINANCIAL STATEMENTS .....	5



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Michael B. Bruno, CPA  
Alcide J. Tervalon, Jr., CPA  
Waldo J. Moret, Jr., CPA  
Paul K. Andoh, Sr., CPA

## INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

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To the Board of Commissioners  
**Lake Carmel Subdivision Improvement District**  
New Orleans, Louisiana

We have compiled the accompanying balance sheet of **Lake Carmel Subdivision Improvement District (LCSID)** as of December 31, 2002 and the related statement of revenues, expenditures and changes in fund balance and statement of revenues, expenditures and changes in fund balance - budget to actual for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of **LCSID's** management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report dated June 19, 2003 on the results of our agreed-upon procedures.

*Bruno & Tervalon LLP*  
**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

June 19, 2003

**LAKE CARMEL SUBDIVISION IMPROVEMENT DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUND TYPE  
GENERAL FUND  
DECEMBER 31, 2002**

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**ASSETS**

Cash and cash equivalents (NOTE 1)	\$14,836
Parcel fees receivable (NOTE 2)	9,904
Funds available - City of New Orleans (NOTE 3)	<u>50,543</u>
 Total assets	 <u><u>\$75,283</u></u>

**FUND BALANCE**

Fund balance	<u>\$75,283</u>
 Total fund balance	 <u><u>\$75,283</u></u>

See Independent Accountants' Compilation Report.

**LAKE CARMEL SUBDIVISION IMPROVEMENT DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-GOVERNMENTAL FUND TYPE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2002**

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Revenues

Parcel fees (NOTE 4)	\$119,700
Interest	747
Insurance settlement	650
LSED grant	2,500
Miscellaneous revenue	<u>364</u>
 Total revenues	 <u>123,961</u>

Expenditures

Guard house maintenance	2,628
Guard house utilities	560
Insurance	681
Landscaping	1,554
Professional fees	3,091
Newsletter	290
Postage and miscellaneous	44
Security services	54,449
Space rental	<u>60</u>
 Total expenditures	 <u>63,357</u>

Excess of revenues over expenditures	60,604
 Fund balance at beginning of year	 <u>14,679</u>
 Fund balance at end of year	 <u>\$ 75,283</u>

See Independent Accountants' Compilation Report.

**LAKE CARMEL SUBDIVISION IMPROVEMENT DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
GOVERNMENTAL FUND TYPE-GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2002**

<u>Revenues</u>	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Parcel fees (NOTE 4)	\$88,750	\$119,700	\$ 30,950
Interest	-0-	747	747
Insurance settlement	-0-	650	650
LSED grant	-0-	2,500	2,500
Miscellaneous revenue	<u>-0-</u>	<u>364</u>	<u>364</u>
Total revenues	<u>88,750</u>	<u>123,961</u>	<u>35,211</u>
<u>Expenditures</u>			
Committee social	1,000	-0-	1,000
Guard house maintenance	-0-	2,628	(2,628)
Guard house utilities	848	560	288
Insurance	-0-	681	(681)
Landscaping	735	1,554	(819)
Professional fees	1,800	3,091	(1,291)
Park development	1,599	-0-	1,599
Newsletter	500	290	210
Postage and miscellaneous	130	44	86
Restrictions enforcement	1,500	-0-	1,500
Security services	81,395	54,449	26,946
Space rental	<u>240</u>	<u>60</u>	<u>180</u>
Total expenditures	<u>89,747</u>	<u>63,357</u>	<u>26,390</u>
Excess of revenues over expenditures	(997)	60,604	61,601
Fund balance at beginning of year	<u>14,679</u>	<u>14,679</u>	<u>-0-</u>
Fund balance at end of year	<u>\$ 13,682</u>	<u>\$ 75,283</u>	<u>\$ 61,601</u>

See Independent Accountants' Compilation Report.

## LAKE CARMEL SUBDIVISION IMPROVEMENT DISTRICT NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1 - Nature of Activities and Summary of Significant Accounting Policies

#### General

The Lake Carmel Subdivision Improvement District (LCSID) was created by the Louisiana Legislature under Louisiana Revised Statute 33:9071 in the Parish of Orleans. The purpose of the (LCSID) is for "promoting and encouraging the beautification, security and overall betterment of the Lake Carmel Subdivision". A nine-member board of commissioners manages the LCSID. Its financing sources are derived principally from the proceeds of parcel fees which are levied on all taxable real property, within the district, by the City of New Orleans.

#### Basis of Accounting

The LCSID is a special taxing district whose financial statements are prepared on the modified accrual basis and in accordance with and generally accepted accounting principles. Under this method, revenues are recognized when they become measurable and available. Parcel fee collections are considered "measurable" when in the hands of the collecting agency and are recognized as revenue at this time. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

#### Fund Accounting

LCSID uses a governmental fund through which most governmental functions typically are financed. LCSID maintains a general fund as its general operating fund, which is used to account for all financial resources except those required to be accounted for in another fund or account group (i.e. General Fixed Asset Group).

#### Budgetary Data

The LCSID board of commissioners are required to adopt an annual budget in accordance with the Local Government Budget Act, R.S. 39:1301. The budget and all amendments are subject to the approval of the New Orleans City Council.

**LAKE CARMEL SUBDIVISION IMPROVEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 1 - Nature of Activities and Summary of Significant Accounting Policies**  
**Continued**

**Cash**

Cash includes amounts on hand and in demand deposits held by banks or other financial institutions. Cash equivalents include short term investments with original maturities of 90 days or less.

**NOTE 2 - Parcel Fees Receivable**

Parcel fees that are levied but not collected by the City of New Orleans are recorded as parcel fees receivable. The balance of parcel fees receivable as of December 31, 2002 totaled \$9,904.

**NOTE 3 - Funds Available - City of New Orleans**

Parcel fees that are levied and collected by the City of New Orleans but have not been drawn down during the year by the district are recorded as Funds Available - City of New Orleans. The balance of funds due from the City of New Orleans as of December 31, 2002 totaled \$50,543.

**NOTE 4 - Parcel Fees**

The governing authority of New Orleans may levy and collect a \$250 parcel fee upon all taxable real property within the Lake Carmel Subdivision Improvement District in accordance with the provision of Act 1233. For the year ended December 31, 2002 the current year levy and prior year collections totaled \$119,700 and \$88,750, respectively.



**LAKE CARMEL SUBDIVISION  
IMPROVEMENT DISTRICT**

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**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

**FOR THE YEAR ENDED DECEMBER 31, 2002**

**LAKE CARMEL SUBDIVISION  
IMPROVEMENT DISTRICT**

**TABLE OF CONTENTS**

---

	<u>PAGE</u>
INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES .....	1
LOUISIANA ATTESTATION QUESTIONNAIRE FOR LAKE CARMEL SUBDIVISION IMPROVEMENT DISTRICT .....	7



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## **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

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To the Board of Commissioners  
**Lake Carmel Subdivision Improvement District**  
New Orleans, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the Board of Commissioners of the Lake Carmel Subdivision Improvement District (LCSID) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about LCSID's compliance with certain laws and regulations during the year ended December 31, 2002 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**LAKE CARMEL SUBDIVISION IMPROVEMENT DISTRICT  
INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

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**PUBLIC BID LAW**

1. Select all expenditures made during the year for material and supplies exceeding \$15,000.00, or public works exceeding \$100,000.00, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

**Results**

We reviewed the check register and found no purchases exceeding the aforementioned amounts.

**CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES**

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

**Results**

The District provided us with a listing of all board members and their immediate family. The District included in the listing all outside business interests of the board members and their immediate family.

3. Obtain from management a listing of all employees paid during the period under examination.

**Results**

There are no employees of the Lake Carmel Subdivision Improvement District.

**LAKE CARMEL SUBDIVISION IMPROVEMENT DISTRICT  
INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES, CONTINUED**

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4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

Result

This is not applicable, as the Lake Carmel Subdivision Improvement District has no employees.

**BUDGETING**

5. Obtained a copy of the legally adopted budget and all amendments.

Result

The Board of Commissioners provided us with a copy of the original budget. However, the original budget contained what appeared to be typographical errors. Adjustments to the budget were made prior to the issuance of the compiled financial statements and have been incorporated therein.

6. Trace the budget adoption and amendments to the minute book.

Result

We traced the adoption of the original budget to the minutes of a meeting held on November 7, 2001 which indicated that the budget had been adopted by the Board of Commissioners of the Lake Carmel Subdivision Improvement District by a vote of 8 in favor and no one opposed with one Commissioner absent. No formal amendments had been made and adopted by the Board during the year.

**LAKE CARMEL SUBDIVISION IMPROVEMENT DISTRICT  
INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES, CONTINUED**

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7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

Result

We compared the revenues and expenditures of the final budget to the actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5%.

**ACCOUNTING AND REPORTING**

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

Result

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

Result

The randomly selected disbursements were properly coded to the correct expense account in the general ledger.

- (c) determine whether payments received approval from proper authorities.

Result

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the accountant and the chairman of the Board of Commissioners.

**LAKE CARMEL SUBDIVISION IMPROVEMENT DISTRICT  
INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES, CONTINUED**

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**MEETINGS**

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

**Result**

LCSID's Board of Commissioners meet five (5) times a year. LCSID provided documentary evidence indicating that the LCSID meeting announcements were posted in the LCSID periodic newsletter. The newsletter is mailed to all property owners in the District. The agenda for the meeting is recorded and advertised as required.

**DEBT**

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

**Result**

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

**ADVANCES AND BONUSES**

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance, or gifts.

**Result**

LCSID had no employees and we noted no payments to Board members that would appear to be bonuses, advances or gifts.

**LAKE CARMEL SUBDIVISION IMPROVEMENT DISTRICT  
INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES, CONTINUED**

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Our prior year report, dated June 15, 2002 did not include any comments or unresolved matters. We did however issue a separate management letter dated June 19, 2003.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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This report is intended solely for the use of management of Lake Carmel Subdivision Improvement District and the Legislative Auditor (State of Louisiana), and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bruno & Tervalon LLP*  
**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

June 19, 2003



**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Quasi-public Entities)**

Bruno & Tervalon, LLP, CPAs

4298 Elysian Fields Avenue

New Orleans, LA 70122

In connection with your compilation of our financial statements as of DECEMBER 31, 2002 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of June 27, 2003.

**Federal, State, and Local Awards**

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes ☒ No ☐

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes ☒ No ☐

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes ☒ No ☐

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes ☒ No ☐

**Open Meetings**

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes ☒ No ☐

**Budget**

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes ☒ No ☐

**Prior Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

~~Program Coordinator~~

*Pres: [Signature]*

Date: 6-30-03

Lake Carmel Subdivision Improvement District



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To the Board of Commissioners  
**Lake Carmel Subdivision Improvement District**  
New Orleans, Louisiana

In performing our compilation of the financial statements of Lake Carmel Subdivision Improvement District (LCSID) for the year ended December 31, 2002 the following issues came to our attention:

**INFORMATION RETURNS FORM 1099-MISC**

It was noted that LCSID did not file with the Internal Revenue Service Form 1099-MISC for those individuals receiving payment for services, in the course of a trade or business, totaling \$600.00 or more within the fiscal year.

We recommend that LCSID comply with the aforementioned Internal Revenue Service regulation.

**AVAILABLE FUNDS HELD BY THE CITY OF NEW ORLEANS**

At the end of calendar year 2002, the City of New Orleans was in custodial care of \$50,543.00 of parcel fees collected on the LCSID's behalf. We recommend that the proper documents be furnished to the City of New Orleans to draw down the funds for the deposit in the LCSID's bank account.

**ACCOUNTING RECORDS**

The LCSID processes its accounting transactions on an accounting software package. However, a general ledger and financial statements are not produced monthly.

We recommend that each month, within thirty days following the month end, a general ledger be produced along with a balance sheet and a statement of revenues, expenditures and changes in fund balance along with a statement comparing the budget to actual. We also recommend that the bank account be reconciled to the general ledger on a monthly basis. A board member other than the preparer of the reconciliation should review the reconciliation and initial as evidence of the review and agreement to the general ledger.

We will review the status of these recommendations during our next engagement. We have already discussed the comments and suggestions with appropriate LCSID board members and will be pleased to discuss these comments in further detail at your convenience.

*Bruno & Tervalon LLP*  
**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

June 19, 2003

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## Lake Carmel Subdivision Improvement District

Mr. Michael Bruno  
Bruno & Tervalon, LLP  
4928 Elysian Fields Avenue  
New Orleans, La. 70122

Dear Mr. Bruno:

This is in response to the findings from the compilation/attestation engagement of Lake Carmel Subdivision Improvement District for the period ending December 31, 2002.

### INFORMATION RETURNS FORM 1099-MISC

It was noted that LCSID did not file with the Internal Revenue Service Form 1099-MISC for those individuals receiving payment for services, in the courses of a trade or business, totaling \$600.00 or more within the fiscal year.

### Correction Action:

Lake Carmel Subdivision Improvement District requested information by phone and mail notification, was unable to obtain information in a timely manner from individual receiving \$600.00 or more to file 1099-MISC with Internal Revenue for tax 2002.

LCSID will request information prior to finalizing contract in the future.

### AVAILABLE FUNDS HELD BY THE CITY OF NEW ORLEANS

At the end of calendar year 2002, the City of New Orleans was in custodial care of \$50,543.00 of parcel fees collected on the LCSID's behalf. We recommend that the proper documents be furnished to the City of New Orleans to draw down the funds for the deposit in the LCSID's bank account.

Correction Action:

LCSID discussed and will research the monetary value of continued investment of parcel fees in custodial care with the City of New Orleans before drawing down the funds to deposit in the LCSID bank account.

ACCOUNTING RECORDS RECOMMENDATION:

The LCSID processes its accounting transactions on an accounting software package. However, a general ledger and financial statements are not produced monthly.

LCSID produces a quarterly general ledger and financial statement on its accounting software. However, for good business practice a monthly statement will be produced with revenues, expenditures and changes in fund balance along with a statement comparing the budget to actual. The bank account will be reconciled to the general ledger on a monthly basis and reviewed by the Board of Commissioners for agreement to the general ledger two days prior to each general board meeting.

If you have any questions, please contact me..

Sincerely,



Cynthia Banks  
Treasurer